

## **CALIFORNIA WORKERS' COMPENSATION FORM INCLUDING SAVINGS FROM AB 227 AND SB 228**

I, \_\_\_\_\_, am an Actuary in good standing of the Casualty Actuarial Society or a member in good standing of the American Academy of Actuaries who meets the general qualification standard to present public statements of actuarial opinion. I have been authorized by \_\_\_\_\_ Insurance Company to render this statement of opinion.

Pursuant to Title 10 of the California Code of Regulations §2509.32(j), I do hereby certify that the rates in the insurer's workers' compensation rate filing number \_\_\_\_\_ dated \_\_\_\_\_ include a reasonable estimate of the insurer's expected losses and expenses for the anticipated risks for the period the insurer intends to use the filed rates. Furthermore, pursuant to AB 1985 and California Insurance Code §11732, I do hereby certify that the rates shall be adequate to cover the insurer's losses and expenses, and are expected to result in a ratio of insurer net premiums to WCIRB pure premiums that is not less than the insurer's reasonable, average expense provision, stated as a factor.

Pursuant to AB 227 and California Insurance Code §§11735(b) and 11735.1(a) and (b), I do hereby certify that: (check the applicable boxes)

- ☐ a) the rates reflect the cost savings contained in AB 227 and SB 228 because:
- ☐ 1. The rate filing adopts at least that portion of Ruling RH 003031326 that is attributable to the cost savings determined by the Commissioner and carries at least an 8.2% rate reduction, OR
- ☐ 2. The rate filing adopts at least that portion of Ruling RH 003031326 that is attributable to the cost savings determined by the Commissioner, the insurer did not adopt the approved Pure Premium Rate Increase for July 1, 2003, and the insurer's rate filing carries at least a 1.6% rate reduction.
- ☐ b) Pursuant to AB 227 and California Insurance Code §§11735 and 11742(d) I do hereby certify that the rates contained in \_\_\_\_\_ Insurance Company's January 1, 2004 rate filing reflect the cost savings achieved in the 2003 workers' compensation reform legislation as set forth in the Insurance Commissioner's Decision in RH 03031326. However, after reflection of these cost savings, rates were not reduced by the amount of the projected savings in that Decision from our current rates as doing so would result in inadequate rates pursuant to Insurance Code Section 11732. The calculation of the savings is set forth in detail in the rate filing. The rate filing contains no other change in methodology from our current filing. [Please explain in detail all changes in

methodology from the insurer's last rate last rate filing and explain in detail the rationale or reason for the change in methodology and the selection(s).]

I understand that the Insurance Department will rely on this certification and it will be posted on the Department's website.

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**Signature of Authorized Actuary**

*Date:*

*Name of Authorized Actuary:*

*Title of Actuary:*

*Address of Actuary:*

*City:*

*State:*

*Zip Code:*

*Direct Telephone Number:*

*Fax Number:*

**E-Mail Address:**

*Insurer File No.:* \_\_\_\_

*Insurer Program Name:* \_\_\_\_

You must furnish a company file number and/or program name.

**My signature below certifies that the rates as charged by this insurer shall result in the collectible premium as indicated above.**

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**Signature of Officer of Insurer**

*Date:*

*Name of Officer:*

*Title of Officer:*

*Address of Officer:*

*City:*

*State:*

*Zip Code:*

*Direct Telephone Number:*

*Fax Number:*

**E-Mail Address:**